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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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JUN 19 1997

Federal Communications Commission
Office of Secretary

In Re:)
)
Administration of the North American) CC Docket 92-237
Numbering Plan Carrier Identification)
Codes (CICs))
)

REPLY COMMENTS OF MCI TELECOMMUNICATIONS CORPORATION

MCI Telecommunications Corporation, by counsel, pursuant to section 1.429 of the Federal Communications Commission's (Commission's) rules and regulations, 47 U.S.C. §1.429, hereby submits these reply comments in the above-referenced proceeding.

MCI supports the comments submitted by Telco Communications Group, Inc. (Telco), and Competitive Telecommunications Association (CompTel) that the Second Report and Order (Order)¹ imposes an unnecessary burden on the interexchange market by prematurely terminating the permissive dialing period for transition from three digit carrier identification codes (CICs) to four digit CICs, and from five digit carrier access codes (CACs) to seven digit CACs. MCI thus supports the requests by Telco and CompTel that the Commission extend the period during which three digit CIC assignments may be used in conjunction with four digit CIC assignments.²

¹In the Matter of Administration of the North American Numbering Plan Carrier Identification Codes (CICs), Second Report and Order, CC Docket No. 92-237 (rel. Apr. 11, 1997).

²See Petition For Reconsideration of CompTel at 1; Petition For Reconsideration of Telco at 3-6; 10. See also Petition For Reconsideration of VarTec Telecom, Inc. (VarTec), at I.

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I. **BELLCORE DATA INDICATES THAT THE NUMBER OF CIC CODES AVAILABLE FOR ASSIGNMENT MITIGATES AGAINST TERMINATION OF THE PERMISSIVE DIALING PERIOD ON JANUARY 1, 1998.**

In its Order, the Commission found that the demand for CICs has grown because the number of carriers requesting them has increased, and because carriers are using CICs for an increasing number of purposes.³ By its Order, the Commission purports to accommodate this growing demand by shortening the time within the transition from three to four digit CICs will occur.⁴

Data obtained from Bellcore, the North American Numbering Plan Administrator, on May 14, 1997, indicates that the need to end the permissive use of both three and four digit CICs in order to conserve numbers is at least 79 months away.⁵ According to Bellcore, four digit CICs have been assigned out of the 5XXX and 6XXX ranges to provide four digit CIC availability with three digit CIC or 10XXX dialing. Additionally, the average monthly rate of CIC assignments is 19. At that rate, as of May 14, 1997, the projected 5XXX and 6XXX exhaust date was at least 79 months away.

The Commission's Order also modifies the CIC conservation plan by allowing entities to have two, rather than one, CIC assignment.⁶ Even with that modification, there is no immediate need to terminate the permissive dialing period on January 1, 1998, since even with a two

³Order, ¶ 3.

⁴Order, ¶ 4.

⁵See May 14, 1997, letter from Nancy K. Fears to Stephen J. Engelman, attached as Exhibit A.

⁶Order, ¶ 3.

CIC assignment plan, the exhaust date is still at least 39.5 months away. Discontinuance of the permissive dialing period by January 1, 1998, is thus clearly unnecessary.

Premature termination of the permissive dialing period is contrary to the public interest. In its Order implementing rules pursuant to the Telecommunications Act of 1996 (the Act), the Commission stated that one of its goals pursuant to the Act is to “promote[] increased competition in telecommunications markets that are already open to competition, including the long distance services market.”⁷ Termination of the permissive dialing period on January 1, 1998, runs counter to the Commission’s stated goal of promoting competition. In fact, it is an onerous and unnecessary regulatory requirement that abruptly and unnecessarily eliminates a form of access that encourages competition, and severely restricts consumers’ options for completion of telephone calls.

II. PREMATURE TERMINATION OF THE PERMISSIVE DIALING PERIOD PLACES MCI AT A SEVERE UNFAIR COMPETITIVE DISADVANTAGE.

As a provider of services using a three digit CIC embedded in a five digit CAC, MCI would be placed at a severe competitive disadvantage if the Commission prematurely ends the permissive dialing period. The immediate result of consumers’ sudden inability to access MCI’s facilities via use of a familiar five digit CAC will be confusion, and thus reversion to incumbent local exchange companies’ (ILECs) services, which can be accessed by simply dialing “1,” plus

⁷*In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, First Report and Order, CC Docket No. 96-98 (rel. Aug. 8, 1996), ¶ 3. Telco’s Petition For Reconsideration also recognizes the disruptive nature of the Commission’s Order, stating that it would “eliminate *all* three digit CIC assignments and thereby jeopardize a competitive alternative for consumers that is currently thriving in the long-distance marketplace. Telco Petition at 2-3 (emphasis in original).

a ten digit telephone number. This problem affects MCI as an intraLATA toll provider, and as a provider of interLATA services.

Millions of customers choose to dial MCI's 10XXX number to complete interLATA calls because it offers them an attractive option for completion of calls without having to change their primary interexchange carrier (PIC). MCI estimates the \$1.5 billion in 10XXX traffic was carried in 1996 by carriers *other than* AT&T, MCI and Sprint. With 10XXX access, a caller can "dial around" the PIC assigned to the originating telephone number, and utilize the services of a competing carrier. Consumers clearly benefit from the sense of freedom that results from the ability, with minimal effort, to choose a carrier other than their PIC to complete a specific call. Consumers also enjoy being able to sample the services of different carriers without having to change their PIC. If the PIC is experiencing network failure, call blockage, or simply poor transmission quality, 10XXX access to other carriers may be critical to the PIC's subscribers. Continued access to 10XXX dialing for as long as possible is thus clearly in the public interest, which is best served by ensuring that any necessary change in dialing patterns results in a minimal amount of confusion and frustration for consumers.

If on January 1, 1998, the FCC abruptly terminates the permissive dialing period during which consumers will be able to make calls using the familiar five digit CACs, substantial customer confusion and frustration will result. In general, consumers must hear a message several times before they are able to incorporate it into their daily lives. The message must be repeated several times in written and oral communications designed to remind consumers of the a change in calling patterns. Even after months of reminders, consumers remain likely to use the outdated calling pattern unless they are prompted to use the new method at the time of placement

of a call.⁸ It is thus reasonable to assume that regardless of the educational efforts that occur over the next six months, a significant number of consumers will still dial MCI's five digit CAC on January 1, 1998, and will be annoyed and confused when their call is not processed. A logical conclusion is that those consumers, having been denied their chosen method of access, will simply dial "1" plus the number they wish to call. The Commission should avoid unnecessarily terminating consumers' ability to access the carrier of their choice by use of familiar five digit CACs.

When consumers are suddenly unable to complete calls using the five digit CAC, MCI's competitors entering the market with new seven digit CACs will use that inability to their advantage through creative marketing materials designed to cast doubt on the viability of MCI's network. There is no indication that the Commission intended its Order to have these anti-competitive consequences, particularly on the eve of entry into the long distance market by competing Regional Bell Operating Company (RBOC) providers. Accordingly, the Commission should extend the permissive dialing period until at least the date upon which, according to the

⁸Although MCI generally supports Telco's suggestion (on page four of its Petition For Reconsideration) that the Commission require that intercept messages inform 10XXX users that they must use additional digits in order to complete their calls, intercept messages are unlikely to remove the anti-competitive effect of premature termination of the permissive dialing period. As the Commission recognized in its Order, "callers who know how to reach the carrier's services are more likely to use them." Order, ¶ 44. The more likely effect of a customer's inability to complete a call using a familiar dialing pattern, with or without an intercept message, is that they will simply place the call a second time by dialing "1," plus the area code and telephone number. The Commission should not lose sight of this anti-competitive effect as it considers whether it is truly necessary, and promotes the public interest, to terminate the permissive dialing period on January 1, 1998.

Bellcore data, its end is required in order to accomplish the Commission's stated goal of accommodating the industry's growing demand for CICs.

On the intraLATA toll side, MCI will also encounter significant unfair competitive disadvantages if the Commission implements the Order abruptly terminating the permissive dialing period on January 1, 1998. RBOCs are not required to allow customers to presubscribe to another carrier's intraLATA toll services until February 8, 1999, or until such time as they provide in-region, interLATA or in-region, interstate toll services, whichever is earlier.⁹ Until the RBOCs are required to provide toll dialing parity pursuant to section 251(b)(3) of the Telecommunications Act via the 2-PIC presubscription method adopted by the Commission's implementing rules¹⁰, their local customers will have no way to access MCI's services except via dialing an access code. To abruptly and unnecessarily remove those customers' ability to access MCI's intraLATA toll services by using the familiar 10XXX dialing pattern would greatly increase the RBOCs' already existing competitive advantage. Premature termination of this period of permissive dialing will intensify the disadvantage because, again, customers that are confused by their inability to use five digit CACs will simply resort to use of the RBOC's intraLATA toll service by dialing "1".

The Commission has recognized that the development of competition in the interexchange market is due in large part to successful implementation of dialing parity.

⁹47 U.S.C. § 51.211(a).

¹⁰47 U.S.C. 51.209(c).

Specifically, the Commission has stated:

[t]he history of competition in the interexchange market illustrates the critical importance of dialing parity to the successful introduction of competition in telecommunications markets. Industry data show that, after equal access was deployed throughout the country, the number of customers using MCI and other long-distance carriers increased significantly. Thus, we believe that equal access had a substantial pro-competitive impact.

In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, First Report and Order, CC Docket No. 96-98 (rel. Aug. 8, 1996), ¶ 17. There is no current need to terminate the permissive dialing period prior to the date upon which the RBOCs must provide intraLATA toll dialing parity.

Since the Bellcore data reveals no immediate need to terminate the permissive dialing period, the Commission should be careful not to do so, particularly in light of the anti-competitive effects that would result prior to the date upon which RBOCs must implement intraLATA toll dialing parity. Again, the Commission should extend the permissive dialing period until at least the date upon which its end is required in order to accomplish the stated goal of accommodating the industry's growing demand for CICs.

WHEREFORE, for the foregoing reasons, MCI respectfully requests that the Commission reconsider its decision to eliminate all three digit CIC assignments on January 1, 1998, and that it extend the period during which both three and four digit CIC assignments can

be used, until it becomes necessary to end that period in order to accommodate the industry's growing and diverse need for CIC codes.

Respectfully submitted,

MCI TELECOMMUNICATIONS
CORPORATION

A handwritten signature in black ink, appearing to read "Donna M. Roberts", written over a horizontal line.

Donna M. Roberts
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Its Attorneys

Dated: June 19, 1997

CERTIFICATE OF SERVICE

I, John E. Ferguson III, do hereby certify that copies of the foregoing Reply Comments of MCI on the Matter of the Administration of the North American Numbering Plan Carrier Identification Codes (CICs) were sent, on this 19th day of June, 1997, via first-class mail, postage pre-paid, to the following:

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John E. Ferguson III

EXHIBIT A

Bellcore

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May 14, 1997

Mr. Stephen J. Engelman
MCI
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Richardson, TX 75082
FAX 972-918-6038

Dear Mr. Engelman:

This is the information that was previously provided to you, requested again per your telephone message on May 13, 1997:

Total FGD CIC assignments as of 3/31/97 - 1,396
(3 digit=894, 5000 range=379, 6000 range=123)
Average monthly rate of FGD CIC assignments - 19
Projection of 5000 range exhaust at current assignment rate - 44 months
Projection of 5000/6000 range exhaust at current assignment rate - 79 months

If I may provide further assistance, please feel free to contact me. Thank you.

Sincerely,



Nancy K. Fears

